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CONFIDENTIAL KATHMANDU 002619

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TAGS: PGOV PTER CX NP

SUBJECT: CHINESE AMBASSADOR WORRIED ABOUT THE MAOISTS

REF: KATHMANDU 2491

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

11. (C) In a meeting with the Ambassador September 26, Chinese Ambassador Sun denied that China supported the entry of the Maoists with their arms into an interim Nepali government. To the contrary, the PRC still had a Maoist no-contact policy in place. Sun stated that China's key interest in Nepal was stability. Sun agreed that the Government of Nepal had the power to crack down on the Maoists. He expressed discouragement, however, that the fractious governing coalition would manage the peace process and the Maoists successfully.

Chinese Ambassador Denies Reports of a Thaw

12. (C) The Ambassador met September 26 with his Chinese counterpart Sun Heping to determine the veracity of claims by journalists that local Chinese diplomats were speaking out in favor of the entry of the Communist Party of Nepal (Maoist) (CPN-M) into an interim government with their weapons.

Ambassador Sun categorically denied the allegations. That was not China's position at all, he said. The PRC, he noted, continued to have great concerns about the so-called "Maoists." He reiterated his message from previous meetings that neither Beijing nor his Embassy had approved the contacts in Nepal in June 2006 by a retired Chinese Academy of Sciences member with senior CPN-M leaders. The PRC, in fact, continued to have a no-contact policy with the CPN-M. He had been unpleasantly surprised the previous week at a Nepal-China Society event to discover that the organizers had invited several senior Maoist leaders to the event. He told the Ambassador he left early. He acknowledged, however, that members of his staff had met with low-level Maoists in an attempt to get Chinese-funded construction projects moving.

Key Issue Is Stability

 $\P 3$. (C) Sun remarked that the PRC's key goal for Nepal was stability. To that end, what was most important was the unity of the Seven-Party Alliance (SPA) government. The

Ambassador responded that we also constantly stressed that same message in our meetings with SPA leaders. The Chinese Ambassador admitted that he feared the parties would not overcome their constant partisan bickering. Meanwhile, the law and order situation had deteriorated as the CPN-M ramped up its threats and extortion. Sun agreed with the Ambassador that the GON had the power to crack down on the Maoists. It was a matter of will.

Maoist Actions Worrying

14. (C) The Chinese Ambassador cited the example of the nationwide strike the CPN-M declared on September 13 (reftel) as one example of the Maoist threat to stability. It was, in his view, partly a practice run for the Maoists. The CPN-M did not appear ready at that time to try to take over, but he did not disagree when the Ambassador expressed concern that the Maoists might attempt to do so soon. A Maoist takeover, the Ambassador stressed, would create a humanitarian tragedy and destabilize the entire region. Sun added that the Maoists enjoyed the support of a significant number of Nepali workers to whom they had promised the moon.

Comment

15. (C) In his September 26 meeting, Ambassador Sun appeared more concerned than in the past about the threat the Maoists posed to the peace process and the Government of Nepal. He even seemed to share to some degree our frustration that the GON has thus far refused to employ its law enforcement capacities to crack down on Maoist abuses. His government's true intentions, however, remain unclear. According to an Emboff who was present at the Nepal-China Society event, Ambassador Sun did indeed leave early, apparently because of the presence of the CPN-M invitees. On the other hand, Sun's subordinates chose to remain and eagerly interacted with the Maoist guests. With these apparent contradictions in mind, we will continue our efforts to keep the Chinese on board with a hard line on Maoist arms.

MORIARTY